

Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Executive Office and Criminal Justice

Governor's Office of Planning and Budget  
**Chief Information Officer**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



**1.0 Summary: Chief Information Officer (CIO)**

The Chief Information Officer (CIO) provides strategic direction and oversight to all state agencies on information technology programs and projects.

The Analyst recommends \$533,400 for the CIO in FY 2004.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
General Fund		381,400	381,400
General Fund, One-time		152,000	152,000
<b>Total</b>	<b>\$0</b>	<b>\$533,400</b>	<b>\$533,400</b>
<b>Programs</b>			
Chief Information Officer		533,400	533,400
<b>Total</b>	<b>\$0</b>	<b>\$533,400</b>	<b>\$533,400</b>
<b>FTE/Other</b>			
Total FTE		5	5

## **2.0 Issues: Chief Information Officer (CIO)**

### **2.1 Creation of Separate Line-item for Chief Information Officer**

Given the Legislature's recent interest in the office of the Chief Information Officer (CIO), its hiring practices, and its funding sources, the Analyst recommends creating a separate GOPB line-item for the CIO.

**General Fund.....\$381,400**

### **2.2 Eliminate Subsidization of CIO by Executive Branch Agencies**

Since fiscal year 2001, the Governor's Office of Planning and Budget has levied a surcharge on Executive Branch agencies to partially subsidize the operations of the Chief Information Officer. The Analyst recommends replacing this revenue transfer with General Fund resources in FY 2004.

**General Fund, One-time.....152,000**

### 3.0 Programs: Chief Information Officer (CIO)

#### Recommendation

The Analyst recommends \$533,400 for the Chief Information Officer as detailed in the table below. This reflects a transfer of \$381,400 from the Governor's Office of Planning and Budget main line-item, as well as an increase of \$152,000 in one-time General Fund revenue.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund			381,400	381,400
General Fund, One-time			152,000	152,000
<b>Total</b>	\$0	\$0	\$533,400	\$533,400
<b>Expenditures</b>				
Personal Services			486,400	486,400
In-State Travel			900	900
Out of State Travel			8,200	8,200
Current Expense			13,200	13,200
DP Current Expense			24,700	24,700
<b>Total</b>	\$0	\$0	\$533,400	\$533,400
<b>FTE/Other</b>				
Total FTE			5	5

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

The Chief Information Officer “is responsible for vision, strategy, direction, guidelines, policies, planning, coordination, and oversight for information technology for all of the executive branch agencies of our State government. The CIO reports to the Governor, and is a member of the Governor's Senior Staff, Cabinet Council, and works with department and IT executives across the state. The CIO chairs the State's Information and Technology Policy and Strategy Committee, which sets policy and strategy for IT statewide.”<sup>1</sup>

#### *Create separate line-item for greater accountability*

In previous years, the Governor's Office of Planning and Budget (GOPB) main line-item, Information Technology program subsumed the office of the Chief Information Officer (CIO). The GOPB Information Technology Program provides local area network and desktop computer support for GOPB. The Chief Information Officer develops policy and vision statements for information technology statewide. The two functions are not directly related.

With the exposure given the Office of the Chief Information Officer during the 2002 Interim, the Analyst recommends moving the Chief Information Officer function into this separate line-item. The CIO's office will continue to be housed by GOPB, as directed in statute.

<sup>1</sup> *State of Utah Chief Information Officer*. January 25, 2003. [www.cio.utah.gov](http://www.cio.utah.gov).

*End assessment on  
state agencies for  
CIO oversight*

Since fiscal year 2001, the Chief Information Officers' operations were subsidized by assessments upon other agencies of state government. The assessments were achieved using "Revenue Transfers" appropriated by the Legislature. A list of sources for those transfers is included below.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
<b>Financing</b>			
Transfers - Administrative Services	11,000	(11,000)	
Transfers - Commerce	2,000	(2,000)	
Transfers - Corrections	9,000	(9,000)	
Transfers - Department of Community an	2,000	(2,000)	
Transfers - Environmental Quality	2,000	(2,000)	
Transfers - Health	14,000	(14,000)	
Transfers - Human Resource Mgt	1,000	(1,000)	
Transfers - Human Services	28,000	(28,000)	
Transfers - Insurance	2,000	(2,000)	
Transfers - Natural Resources	4,000	(4,000)	
Transfers - Public Safety	10,000	(10,000)	
Transfers - Transportation	12,000	(12,000)	
Transfers - Utah State Tax Commission	17,000	(17,000)	
Transfers - Workforce Services	38,000	(38,000)	
<b>Total</b>	<b>\$152,000</b>	<b>(\$152,000)</b>	<b>\$0</b>

*Executive  
Appropriations  
directed  
subcommittees to  
review and correct  
improper transfers*

In October, 2002, the Executive Appropriations Committee reviewed the use of Revenue Transfers statewide. The Committee directed appropriations subcommittees to "review Revenue Transfers on a case-by-case basis to determine those occasions in which Revenue Transfers would be more properly characterized as reallocations. In such cases, the Analyst recommends that subcommittees submit to the Executive Appropriations Committee negative appropriations from one or more line items and equally offsetting positive appropriations in other line items."<sup>2</sup>

The Analyst believes the revenue transfers used by the Chief Information Officer are more accurately characterized as reallocations. As the Budgetary Procedures Act constrains movement of funds across line-item, the Analyst recommends the Legislature discontinue appropriating Revenue Transfers to the Chief Information Officer.

*Appropriate new  
funds rather than  
reducing donor  
budgets*

The Analyst does not recommend reducing donor budgets by the amount of their former assessment because the sources of these transfers may have included more than free revenue. Instead, the Analyst recommends providing one-time General Funds directly to the CIO to cover the expenses previously paid with transfers.

The Analyst further recommends that the Legislature include the following intent language in the 2003 Appropriations Act:

<sup>2</sup> Walthers, Kevin *et al.* *Requested Budget Issues: A Report on Restricted Fund Balances and Revenue Transfers*. Office of the Legislative Fiscal Analyst. September 17, 2002. Page 3.

*It is the intent of the Legislature that, should a comprehensive review of Division of Information Technology Services costs, products, and rates result in ongoing savings to the General Fund of at least \$452,000 beginning in FY 2005 or prior, the Office of the Legislative Fiscal Analyst shall recommend to the Legislature an ongoing General Fund appropriation increase of \$152,000 beginning in FY 2005 for the Chief Information Officer.*

**4.0 Additional Information: Chief Information Officer (CIO)****4.1 Funding History**

	<b>2000 Actual</b>	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Estimated*</b>	<b>2004 Analyst</b>
<b>Financing</b>					
General Fund					381,400
General Fund, One-time					152,000
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$533,400</b>
<b>Programs</b>					
Chief Information Officer					533,400
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$533,400</b>
<b>Expenditures</b>					
Personal Services					486,400
In-State Travel					900
Out of State Travel					8,200
Current Expense					13,200
DP Current Expense					24,700
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$533,400</b>
<b>FTE/Other</b>					
Total FTE					5

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.